

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Fall River Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: August 26, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on average on October 1 of each fiscal year. The schedule is effective in FY22 (since the amount under the prior schedule was maintained in FY22) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Enc.



**Fall River Retirement System
January 1, 2021 Actuarial Valuation**

Total Appropriation Increasing 7.5% until FY34 with a Final Amortization Payment in FY35

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Increase in Total Cost</u>
2022	8,565,761	2,000,000	27,135,239	37,701,000	410,478,401	
2023	8,951,220	2,000,000	29,577,355	40,528,575	410,659,946	7.5%
2024	9,354,025	2,000,000	32,214,193	43,568,218	408,284,582	7.5%
2025	9,774,956	2,000,000	35,060,879	46,835,834	402,968,438	7.5%
2026	10,214,829	2,000,000	38,133,693	50,348,522	394,284,855	7.5%
2027	10,674,496	2,000,000	41,450,165	54,124,661	381,760,179	7.5%
2028	11,154,849	2,000,000	45,029,162	58,184,011	364,869,154	7.5%
2029	11,656,817	2,000,000	48,890,995	62,547,812	343,029,904	7.5%
2030	12,181,374	2,000,000	53,057,524	67,238,898	315,598,451	7.5%
2031	12,729,535	2,000,000	57,552,279	72,281,815	281,862,737	7.5%
2032	13,302,364	2,000,000	62,400,586	77,702,951	241,036,101	7.5%
2033	13,900,971	2,000,000	67,629,701	83,530,672	192,250,168	7.5%
2034	14,526,515	2,000,000	73,268,958	89,795,473	134,547,097	7.5%
2035	15,180,208	2,000,000	68,001,806	85,182,014	66,871,135	-5.1%
2036	15,863,317	2,000,000		17,863,317	0	-79.0%

All amounts assume payments will be made October 1 of each fiscal year.

FY22 normal cost includes assumed expenses of \$1.15 million and is assumed to increase 4.5% per year.

FY22 appropriation was maintained at the same level as the current schedule.